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Elridge A. Stafford
Executive Director-
Federal Regulatory

March 4, 1996

EX PARTE

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Mail Stop 1170
Washington, D.C. 20554

RE: Gen. Docket No. 90-314, PP Docket No. 93-253, and
WT Docket 96-6

Dear Mr. Caton:

Please be advised that Corey Ford, Vice President Business Development and External Affairs, U S WEST Communications Wireless Group and the undersigned met today with David Furth, Chief - Commercial Wireless Division of the Wireless Telecommunications Bureau and Sandra Danner, Acting Chief - Legal Branch, Commercial Wireless Division of the Wireless Telecommunications Bureau.

The purpose of this meeting was to discuss the timing of the auctions of the broadband PCS D and E blocks and PCS spectrum disaggregation. The attached material summarizes the points that were discussed regarding these topics. We also briefly discussed the use of PCS spectrum for fixed wireless local loop.

In accordance with Section 1.1206(a)(2) of the Commission's rules, the original and one copy of this letter, with attachment, are being filed with your office. Acknowledgement and date of receipt of these transmittals are requested. A duplicate of this letter is included for this purpose.

Please contact me at (202)429-3134 should you have any questions concerning this matter.

Sincerely,

Elridge A. Stafford
Attachment

cc: Sandra Danner
David Furth

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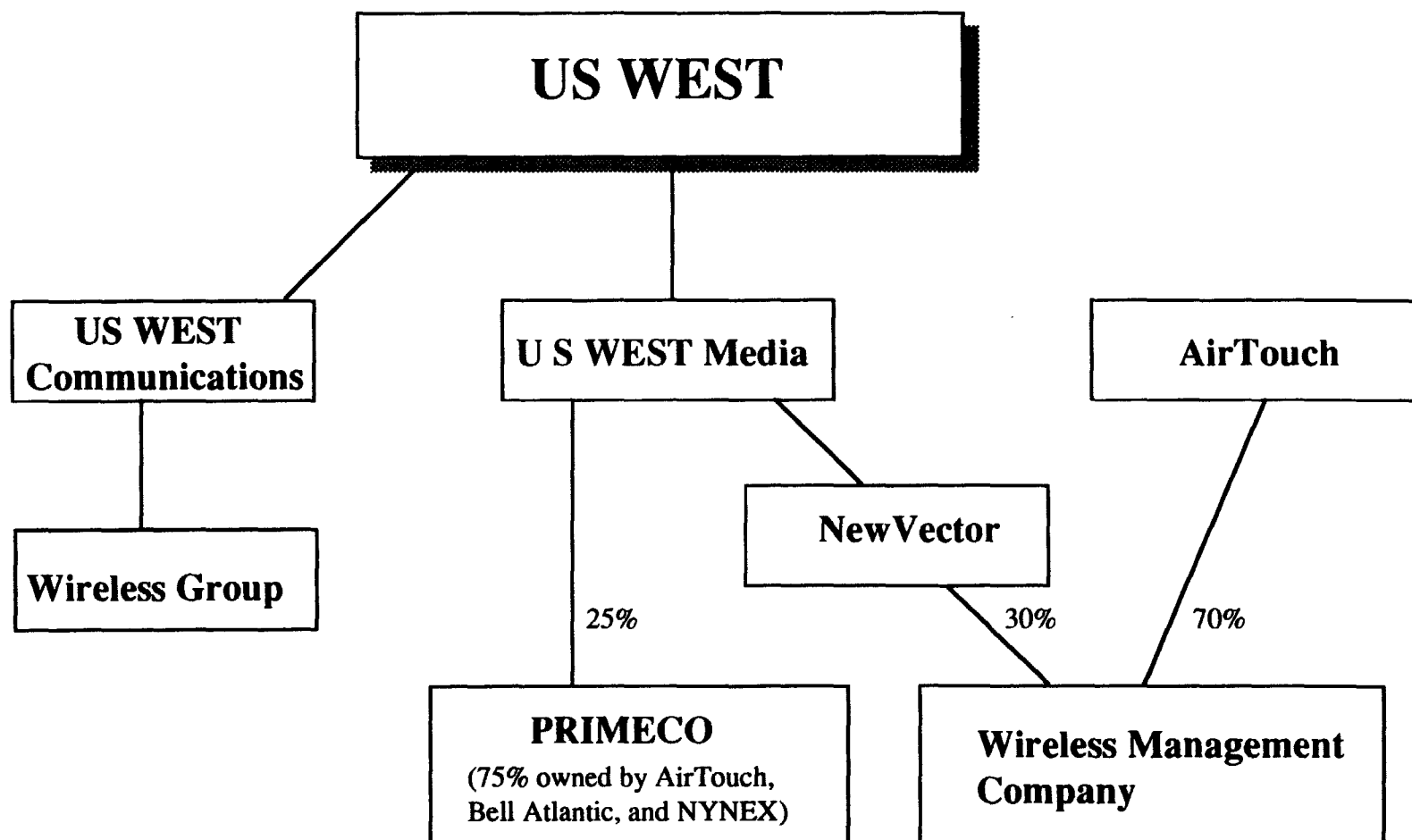
Corey K. Ford
U S WEST Communications Wireless
Vice President, Business Development and
External Affairs

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Executive Director, Federal Regulatory

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CORPORATE STRUCTURE



D and E Block Auction

- U S WEST Communications urges acceleration of D/E auction.
- Services provided by D/E block licensees will be critical to consumer choice and a competitive environment.
- Delays in D/E auction would have several negative impacts:
 - Unfair headstart for PCS A,B & C licensees
 - Lessened competition for incumbent cellular carriers
 - Reduced value for D/E thus less dollars at auction

D and E Block Auction

- Remand issues should be resolved expeditiously.
- Spectrum flexibility docket (WT 96-6) should not delay D/E auction.
- Separate but parallel F auction will insulate D/E auction from undeserved challenges.
- The D/E auction should not be delayed for completion of a disaggregation docket.

Disaggregation

- FCC Should Adopt Rules Permitting Further Disaggregation.

Disaggregation Benefits

- Facilitates entry by those with limited capital or limited spectrum needs.
- Increases market value of auctioned spectrum blocks.
- Encourages more efficient uses of spectrum.
- Stimulates innovation in development of spectrum efficient technology.
- Increases economic feasibility of fixed wireless loop applications in rural areas.
- Lowers barriers to market entry and exit which fosters a more dynamic and competitive marketplace.

Disaggregation Plan

- Allow licensees to disaggregate up to 50% of each licensed spectrum block in minimum “usable” pieces to avoid spectrum fragmentation.
- Allow disaggregation to occur immediately upon spectrum licensing.
- Maintain existing spectrum caps.
- Eligibility--anyone meeting the spectrum caps is eligible to acquire disaggregated spectrum.
- Entrepreneurs' Blocks: Treasury to be made whole by immediate repayment of pro rata share of discounts and installment payments if acquiring party does not qualify as an entrepreneur.
- Build Out Requirements: original licensee and acquiring party both must adhere to build out requirements of original license.